

State Tax Collection & Administration

Mission

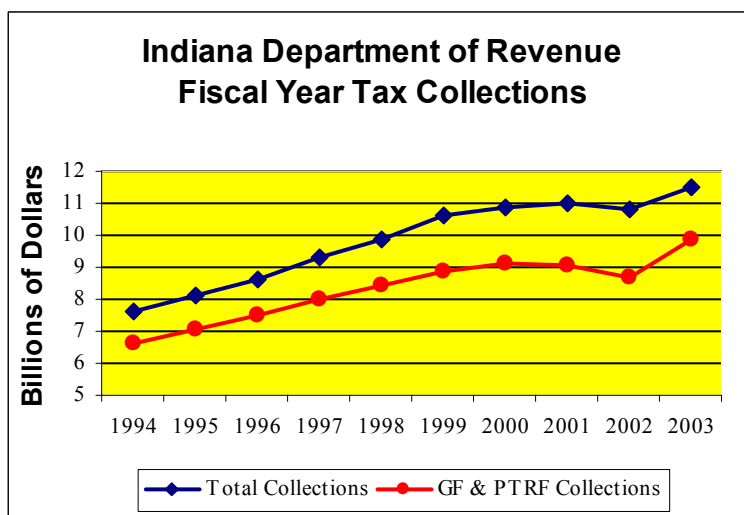
To administer the tax laws of Indiana in an equitable and courteous manner and to promote the highest degree of public trust and voluntary compliance.

Summary of Activities

The **Department of Revenue (DOR)** serves as the state's primary administrator for tax laws, collecting over 40 taxes and fees from taxpayers. The DOR closed out FY 2003 with collections exceeding \$11.5 billion.

The total tax filing population consists of 2.8 million individual income tax returns — 96,000 corporate, 180,000 sales and use tax, 155,000 withholding tax, 55,000 fiduciary, 14,500 inheritance tax, 800 financial institutions tax, 50,000 motor carriers, 36,000 insurance and authority carriers, 250 various other motor fuel filers along with alcoholic beverage and tobacco filers. Also included as customers are approximately 1,000 annual charity gaming (bingo) license holders and 30,000 International Registration Plan permit holders.

The Audit Division of the DOR promotes voluntary tax compliance throughout the state and country in all tax areas through quality examinations. The Audit Division is divided into two sections, Income / Sales and Special Taxes. The DOR Criminal Investigation Division works closely with the auditors regarding enforcement.



External Factors

The Department of Revenue is impacted by growth in the total number of tax filers, increasing costs for traditional forms of communication such as printing and postage, and the rapid emergence of new technologies. These factors present both challenges and opportunities for the Department. While traditional methods of communicating with tax filers cannot be abandoned in the foreseeable future, information technology tools can be used to supplement traditional methods; and, to some extent, offset their increasing costs. The Department is now turning its attention to the Internet to allow taxpayers easy access to file and pay known liabilities.

Evaluation and Accomplishments

The use of electronic filing for tax purposes continues to expand in Indiana. In 2002, the Department experienced its first year where more than half of all individual income tax returns were received electronically (including 2D barcodes).



In 2003, the number increased again where preliminary figures show that almost two-thirds of all returns were received electronically. Electronic returns are quicker and less expensive to process than traditional paper returns, produce fewer errors, and generate faster refunds.

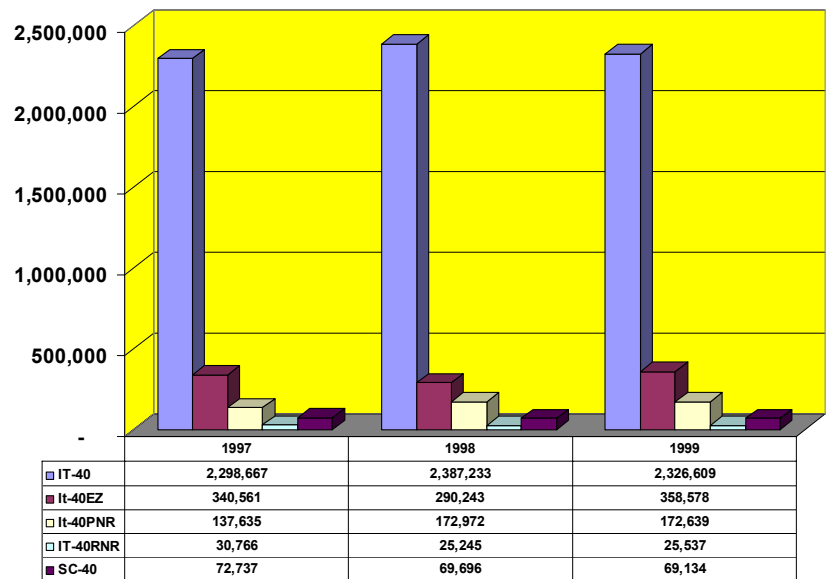
INDIANA DEPARTMENT OF REVENUE

INTERNET TAX FILING

Though tax payments have recently been accepted over the Internet, the Department has added another feature: eCheck. The eCheck payment method, which uses a paperless check, was available for the first time during the past filing season. This new service can be used to pay the tax due on the individual income tax return, or any billing issued by the Department for any type of tax.

A BT-1 Internet application was launched in 2003. This allows taxpayers to register with the Department for various tax types and receive a retail merchant's certificate. This application is for new filers only and cannot be used to update current information about an existing business. Once the application is completed and submitted, the taxpayer will hear back from the Department within 48 hours on the status of the application.

Department of Revenue Individual Returns Processed



Plans for the Biennium

The Department of Revenue will continue to develop and implement innovative processes that will enhance customer service, improve efficiency, and create a more reliable, customer-focused revenue system.

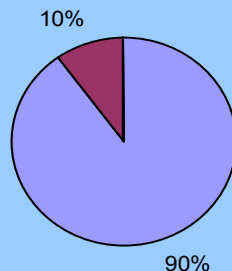


Program: 0915

	Actual FY 2001	Actual FY 2002	Estimate FY 2003	Appropriation FY 2004	Appropriation FY 2005
(All Funds)	\$68,379,533	\$60,720,351	\$58,301,700	\$60,362,024	\$60,362,024

Sources of Funds FY 2004 (Approp)

□ General ■ Dedicated □ Federal □ Other



Uses of Funds FY 2004 (Approp)

□ Personal Services ■ Distributions □ Capital □ Other

